
Introduced by Senator Speier

February 20, 2003

An act to amend Section 9757.5 of the Welfare and Institutions Code, relating to health insurance.

LEGISLATIVE COUNSEL'S DIGEST

SB 413, as introduced, Speier. Health insurance counseling: fees.

Existing law requires the California Department of Aging to assess annually a fee of not less than \$0.70, but not more than \$1, on a health care service plan for each person enrolled with a health care service plan as of December 31 of the previous year under a prepaid Medicare program that serves Medicare eligible beneficiaries within the state to offset the cost of counseling seniors on health maintenance organizations, and would transfer the money to the State HICAP Fund for implementation of the statewide Health Insurance Counseling and Advocacy Program, upon appropriation by the Legislature.

This bill would require the department to increase the amount of the fee to \$1, but not more than \$2, and to also assess the fee annually on insurers for each person insured under a Medicare Select policy or certificate as of December 31 of the previous year.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 9757.5 of the Welfare and Institutions
- 2 Code is amended to read:
- 3 9757.5. (a) The *California* Department of Aging shall assess
- 4 annually a fee of not less than ~~seventy cents (\$0.70)~~ *one dollar*



1 (\$1), but not more than ~~one dollar (\$1)~~, *two dollars (\$2)*, on a
2 *health care service plan* for each person enrolled ~~with the~~ in a
3 health care service plan as of December 31 of the previous year
4 under a prepaid Medicare program that serves Medicare eligible
5 beneficiaries within the state, *and on an insurer for each person*
6 *insured under a Medicare Select policy or certificate as of*
7 *December 31 of the previous year*, to offset the cost of counseling
8 seniors on the benefits and programs available through health
9 maintenance organizations instead of the traditional Medicare
10 provider system.

11 (b) All fees collected pursuant to this section shall be deposited
12 into the State HICAP Fund for the implementation of the Health
13 Insurance Counseling and Advocacy Program, and shall be
14 available for expenditure when appropriated by the Legislature.

15 (c) The department may use up to 7 percent of the fee collected
16 pursuant to subdivision (a) for the administration, assessment, and
17 collection of that fee.

18 (d) It is the intent of the Legislature, in enacting this act and
19 funding the Health Insurance Counseling and Advocacy Program,
20 to maintain a ratio of two dollars (\$2) collected from the Insurance
21 Fund to every one dollar (\$1) collected pursuant to subdivision (a).
22 This ratio shall be reviewed by the Department of Finance within
23 30 days of January 1, 1999, and biennially thereafter to examine
24 changes in the demographics of Medicare imminent populations,
25 including, but not limited to, the number of citizens residing in
26 California 55 years of age and older, the number and average
27 duration of counseling sessions performed by counselors of the
28 Health Insurance *Counseling and* Advocacy Program, particularly
29 the number of counseling sessions regarding prepaid Medicare
30 programs and counseling sessions regarding Medi-Gap programs,
31 and the use of other long-term care and health-related products.
32 Upon review, the Department of Finance shall make
33 recommendations to the Joint Legislative Budget Committee
34 regarding appropriate changes to the ratio of funding from the
35 Insurance Fund and the fees collected pursuant to subdivision (a).

36 (e) It is the intent of the Legislature that the revenue raised from
37 the fee assessed pursuant to subdivision (a), and according to the
38 ratio established pursuant to subdivision (d), be used to partially
39 offset and reduce the amount of revenue appropriated annually



1 from the Insurance Fund for funding of the Health Insurance
2 Counseling and Advocacy Program.

3 (f) There shall be established in the State Treasury a “State
4 HICAP Fund” administered by the *California* Department of
5 Aging for the purpose of collecting fee assessments described in
6 subdivision (a), and for funding the Health Insurance Counseling
7 and Advocacy Program.

